it is necessary or expedient so to do, then, that Government may by notification in the Official Gazette, regulate or restrict the manufacture, sale or distribution of such drug".		manufacture, etc. of drug in Public interest.

The questions were put and the motions were adopted

The New Clauses 1A to 1D were added to the Bill.

MR. DEPUTY CHAIRMAN: Now, we shall take up the Enacting Formula. In the Enacting formula, there is one amendment (No. 1) by the hon. Minister.

Enacting Formula

DR. ANBUMANI RAMADOSS: Sir, I move :

1. That at page 1, line 1, *for* the word "Fifty-sixth", the word "Fifty-ninth" be *substituted*.

The question was put and the motion was adopted.

The Enacting Formula, as amended, was added to the Bill.

The Title was added to the Bill.

DR. ANBUMANI RAMADOSS: Sir, I move :

That the Bill, as amended, be passed.

The question was put and the motion was adopted.

MR. DEPUTY CHAIRMAN: Now, there is a statement by Shri Pranab Mukherjee. *...(Interruptions)...*

SHRI PRASANTA CHATTERJEE (West Bengal): Sir, the Prime Minister assured the House on *...(Interruptions)...*

THE MINISTER OF EXTERNAL AFFAIRS (SHRI PRANAB MUKHERJEE): Sir, the statement is meant for the information of the hon. Members. If the Members are not interested in listening to the Statement, with your permission, I would like to lay it on the Table of the House. *...(Interruptions)...*

MR. DEPUTY CHAIRMAN: Okay. *...(Interruptions)...*

STATEMENT BY MINISTER

India's Civil Nuclear Energy initiative

THE MINISTER OF EXTERNAL AFFAIRS (SHRI PRANAB MUKHERJEE): Sir, I make the following Statement on India's Civil Nuclear Energy Initiative. *...(Interruptions)...*

I rise to inform this august House about recent developments in our civil nuclear initiative. In the three months since this matter was last considered in Parliament, we have made considerable progress.

The India-specific Safeguards Agreement with the IAEA was approved unanimously by the IAEA Board of Governors on 1st August, 2008. As approved, the Safeguards Agreement reflects the key understandings upon which our civil nuclear initiative is based and enables their implementation. We will bring the agreement into force and offer facilities for safeguards in a phased manner in accordance with the provisions of the Safeguards Agreement and in keeping with our Separation Plan.

On 6th September, 2008 the Nuclear Suppliers Group (NSG) adopted a decision by consensus which enables its members to engage in full civil nuclear cooperation with India. This decision opens the door for India to resume civil nuclear cooperation with the international community to meet its energy and development requirements. As I had mentioned in my statement in the other House last July, the IAEA approval and the NSG decision provide us the passport which allows us to engage in civil nuclear cooperation with our international partners. We are now in the process of getting visas by engaging with our international partners to negotiate and finalise bilateral cooperation agreements.

On September 30, 2008 we signed an Agreement for Cooperation in Civil Nuclear Energy with France during PM's visit to France. On October 10, 2008 I signed the Agreement for Cooperation between the Government of India and the Government of the United States of America concerning Peaceful Uses of Nuclear Energy (also known as the 123 Agreement), with the US Secretary of State Dr. Condoleezza Rice in Washington. We hope to sign a cooperation agreement with Russia when President Medvedev visits India in December later this year.

These agreements represent a careful balance of rights and obligations. Cooperation with our international partners will be carried out on the basis of the terms and provisions of these agreements. The agreements that we have signed with the US and France and will be signing with Russia provide for cooperation in various aspects of nuclear fuel cycle. They include the fuel supply assurances which are the basis of our civil nuclear initiative as well as our right to build our strategic fuel reserves, to ensure the uninterrupted operation of our civil nuclear reactors under IAEA safeguards. These Agreements and the India-specific safeguards Agreement also provide for India to take corrective measures if necessary. These are interlocking provisions which protect our rights fully.

It has also been ensured in these agreements that we have the right to reprocess the nuclear material that we obtain from our international partners. We will also be setting up a new national reprocessing facility and taking other steps necessary to operationalise these agreements and realize the full potential of the civil nuclear initiative.

All these agreements are fully consistent with India's national interest, with the assurances that PM had given to Parliament and that Government has made to the people of India. Taken together the India-specific Safeguards Agreement, the NSG decision and the bilateral cooperation agreements provide the basis for us to engage in international cooperation in civil nuclear energy on a long term and sustainable basis with interested international partners. We regard these decisions as a vindication and recognition of India's impeccable non-proliferation credentials. When the enabling bilateral cooperation agreements are brought into force they will provide the legal framework to negotiate and finalise commercial arrangements to source nuclear fuel for our strategic fuel reserve as well as other nuclear equipment and technologies covering the nuclear fuel cycle. We will honour our commitments and implement these agreements in good faith and in accordance with the principles of international law and have no doubt that our partners will similarly discharge their commitments and obligations.

In achieving this result the Government has ensured that they only relate to cooperation in civilian nuclear energy and that our strategic programme and our indigenous research are not affected. Our three stage indigenous nuclear programme will continue as envisaged by Pt. Jawaharlal Nehru and Dr. Homi Bhabha. The bilateral cooperation agreements that we have signed with the US and France as well as the India-specific Safeguards Agreement include specific provisions which ensure that there will be no hindrance to our strategic programme and that we retain the freedom to take action with regard to our strategic programme even as we engage in international cooperation in civil nuclear energy.

Sir, allow me to use this opportunity to elaborate why Government considers this initiative a historic contribution to our nation building effort, in respect of energy, sustainable development, technology and other aspects.

First, it enhances our development options. We are all aware that the availability of clean, affordable and sustainable sources of energy is a critical requirement if we hope to maintain healthy economic growth and abolish poverty. Today, the shortage of energy hampers our efforts to rapidly develop our economy. Hon'ble Members are well aware of the strain put on our economy and on the daily lives of the people by the rise in the global prices of crude oil earlier this year. We must develop and utilize energy sources which are clean and do not contribute to climate change or global warming. We are and will continue to develop renewable sources of energy such as bio-fuels, solar and wind energy as well as other sources like hydel power. Nuclear energy offers us an economically and environmentally viable alternative. With the international cooperation that is now available, we will be in a position to bring additional generating capacity through nuclear power into our energy mix. It will also help our indigenous nuclear programme to grow rapidly. Today we have about 4000 MW of installed capacity in nuclear power. Even the existing plants are operating at a much lower level than their capacity

due to a shortage of uranium. With the opening up of international nuclear trade and commerce we will have new opportunities to expand our nuclear power capacity.

Today, our total power generation capacity is about 1,45,000 megawatts. If we wish to sustain an annual GDP growth rate of 9-10 per cent then by 2030, our projected energy deficit would be 1,50,000 megawatts. If we go a little more in future, that is by 2050, our energy deficit would be 4,12,000 megawatts. In working out these figures, we have taken into account thermal power, coal, petrol and diesel, hydel power, and non-conventional energy sources like wind, solar, etc. Even after their fullest exploitation, the projected deficit would remain. Nuclear power is the only effective way to bridge this gap. As per some studies, if we start work today on nuclear power, to produce 40,000 megawatts of energy in the period of eight years from 2012 to 2020, then within 22 years, that is by '2030, we will be able to reduce the deficit to only 50,000 megawatts as against the deficit of 1,50,000 megawatts. Thereafter, we will be able to reduce the energy deficit in 2050 from 4,12,000 megawatts to only 7,000 megawatts.

Second, this initiative marks the end of the technology-denial regimes which have restricted India for over three decades. These developments are the beginning of a new chapter for India - of engagement as equal partners in civil nuclear energy cooperation with other countries. As we move forward it will help us to expand high technology trade with technologically advanced countries.

Third, it is an acknowledgement of the scientific and technological achievements of our scientists whose tireless efforts in the face of adverse conditions laid the basis for this initiative. It is their efforts that have made it possible for the world today to recognize India as a state with advanced nuclear technology. Hon'ble Members are aware that the embargoes in the nuclear field that were in place against us had hampered the efforts of our scientists to fully participate in international exchanges. With this initiative they will be able to engage with their counterparts in exchange of scientific ideas and technical know-how and contribute to the global effort to deal with the world-wide challenges of energy security and climate change; and

Finally, the initiative is an acknowledgement of India's role as a responsible power in international affairs on global stage. It is for us to utilize this opportunity with confidence as we pursue our national interests.

Sir, during the course of negotiations on the civil nuclear initiative questions were raised whether we would be able to maintain the independence of our foreign policy. As I have said on earlier occasions, let me reiterate once again that we will never compromise on our independent foreign policy. Our foreign policy will be determined at all times by our own assessment of our national interest. This initiative in no way constrains our ability to pursue an independent foreign

policy. It does not in any way affects our strategic autonomy. In fact it does the opposite by increasing our foreign policy options. The NSG decision by opening up the possibility for us to engage in civil nuclear cooperation with other countries actually enhances our choices to engage as an equal partner with the international community. The ultimate objective of our foreign policy is to create conditions conducive to our growth so that we can meet our developmental objectives. In this respect I can say emphatically that this initiative creates more space for us to pursue a foreign policy which serves our national interest.

In conclusion, the civil nuclear initiative is a landmark achievement which not only allows us to meet our future energy requirements in a sustainable manner but is also one which acknowledges India's growing role in global affairs. I am sure that you all will agree with me that it is time for us to look ahead and move forward with confidence to occupy our new and well deserved position in the Comity of Nations. [Placed in Library. *See* No. L.T. 8969/08]

MR. DEPUTY CHAIRMAN: The House is adjourned to meet tomorrow at 11 a.m.

The House then adjourned at ten minutes past five of the clock to meet at eleven of the clock on Wednesday, the 22nd October, 2008.

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